

Program E: Gaming

Program Authorization: La. Constitution, Article IV, Section 8; R.S. 36:701(D); R.S. 36:704(H); R.S. 27:1 et seq. (the Louisiana Gaming Control Board); Act 7 of the First Extraordinary Session of 1996; Act 888 of 1990 and Act 817 of 1993 (Indian gaming); R.S. 4:141 et seq. (the La. State Racing Commission); R.S. 4:701.1 et seq. (the Office of Charitable Gaming, Department of Revenue); and R.S. 47:9001 et seq. (the Louisiana Lottery Corporation); R.S. 27:351 et seq. (Louisiana Pari-Mutuel Live Racing Facility Economic Redevelopment and Gaming Control Act).

Program Description

The mission of the Gaming Program (organizationally expressed as the Gaming Division) is to serve the Louisiana Gaming Control Board and other client agencies in a manner that creates a regulatory atmosphere for licensed gaming and instills public confidence and trust that gaming activities are conducted honestly and are free from criminal and corruptive elements; to ensure the integrity of individual gaming entities by the regulation of persons, practices, associations, and activities within the gaming industry; and to anticipate and support necessary corrective rulemaking and legislation.

The goals of the Gaming Program are:

1. Provide superior legal and professional services to the State of Louisiana.
 2. Improve cooperative working relationships with federal, state, and local agencies and private sector organizations. The Gaming Program has responsibilities related to: Louisiana Gaming Control Board; Riverboat, Video Poker, and Slot Machine Gaming at Live Racing Facilities; Louisiana Lottery Corporation; State Racing Commission; Charitable Gaming; Land-based Casino; and Indian Gaming.
- Louisiana Gaming Control Board: The Gaming Program provides representation, legal advice, and counsel to the Louisiana Gaming Control Board in areas of land-based casino, riverboat, video poker gaming, slot machine gaming at race tracks, and gaming on Indian lands.
 - Riverboat, Video Poker, and Slot Machine Gaming at Live Racing Facilities: The Gaming Program provides legal advice and representation to the Louisiana Gaming Control Board (LGCB) and Louisiana State Police (LSP) in all areas of gaming regulation, including licensing, enforcement, and rulemaking as well as prosecuting administrative actions, including denials of applications, suspensions, revocations, and civil penalties. The Gaming Program assists in the review of files and applications; represents the board and the LSP in judicial appeals of administrative actions; and defends the board and the LSP in other civil litigation related to gaming.
 - Louisiana Lottery Corporation (LLC): The Gaming Program attends meetings of the Louisiana Lottery Corporation, providing legal advice and counsel on an as-needed basis to the LLC on wide ranging issues concerning operation of the lottery in accordance with the statutory provisions. The Gaming Program participates in the review of requests for proposals issued by the lottery for the solicitation of services to the LLC and provides legal defense in certain matters instituted against the LLC.
 - State Racing Commission: The Gaming Program provides legal representation and counsel to the Louisiana State Racing Commission in all matters regarding the regulation of the horse racing industry, pari-mutuel wagering and off-track wagering. The Gaming Program prosecutes administrative actions on behalf of the commission and defends the commission in all civil litigation to which it is a party.

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- Charitable Gaming: The Gaming Program provides legal advice and representation to the Office of Charitable Gaming in the Department of Revenue in all areas of gaming regulation, including licensing, enforcement, and rulemaking as well as prosecuting administrative actions, including denials of applications, suspensions, revocations, and civil penalties. The Gaming Program assists in the review of files and applications; represents the Office of Charitable Gaming in judicial appeals of administrative actions; and defends the Office of Charitable Gaming in other civil litigation related to gaming.
- Land-based Casino: The Gaming Program provides legal advice and representation to the Louisiana Gaming Control Board and the Louisiana State Police (LSP) in all areas of gaming regulation, including licensing, enforcement, and rulemaking as well as prosecuting administrative actions, including denials of applications, suspensions, revocations, and civil penalties. The Gaming Program assists in the review of files and applications; represents the board and the LSP in judicial appeals of administrative actions; and defends the board and the LSP in other civil litigation related to gaming. The program also assists in the negotiation and redrafting of a new casino operating agreement with the casino gaming operator.
- Indian Gaming: The Gaming Program advises the Louisiana Gaming Control Board on matters of Indian gaming and Indian law. The program provides legal counsel to the Louisiana State Police Indian Casino Gaming Division; handles all reviews of the denial, suspension, and revocation of state certification to work for or do business with Indian casinos; and serves as a resource for numerous state agencies for information on Indian gaming and Indian law.

RESOURCE ALLOCATION FOR THE PROGRAM

| | ACTUAL 2000-2001 | ACT 12 2001-2002 | EXISTING 2001-2002 | CONTINUATION 2002-2003 | RECOMMENDED 2002-2003 | RECOMMENDED OVER/(UNDER) EXISTING |
|--------------------------------|---------------------|---------------------|-----------------------|---------------------------|--------------------------|---|
| MEANS OF FINANCING: | | | | | | |
| STATE GENERAL FUND (Direct) | \$955,621 | \$0 | \$43,474 | \$0 | \$315,908 | \$272,434 |
| STATE GENERAL FUND BY: | | | | | | |
| Interagency Transfers | 141,917 | 156,167 | 156,167 | 165,478 | 162,581 | 6,414 |
| Fees & Self-gen. Revenues | 78,818 | 404,873 | 404,873 | 414,513 | 449,929 | 45,056 |
| Statutory Dedications | 2,281,973 | 4,071,084 | 4,322,564 | 4,326,666 | 4,238,111 | (84,453) |
| Interim Emergency Board | 0 | 0 | 0 | 0 | 0 | 0 |
| FEDERAL FUNDS | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL MEANS OF FINANCING | \$3,458,329 | \$4,632,124 | \$4,927,078 | \$4,906,657 | \$5,166,529 | \$239,451 |
| EXPENDITURES & REQUEST: | | | | | | |
| Salaries | \$2,177,232 | \$2,211,280 | \$2,092,793 | \$2,195,462 | \$2,454,595 | \$361,802 |
| Other Compensation | 101,486 | 265,470 | 165,470 | 165,470 | 165,470 | 0 |
| Related Benefits | 396,590 | 502,559 | 492,825 | 630,113 | 655,863 | 163,038 |
| Total Operating Expenses | 344,077 | 594,488 | 694,902 | 711,580 | 548,775 | (146,127) |
| Professional Services | 280,914 | 682,422 | 975,896 | 682,422 | 682,422 | (293,474) |
| Total Other Charges | 60,063 | 190,355 | 318,162 | 318,110 | 455,904 | 137,742 |
| Total Acq. & Major Repairs | 97,967 | 185,550 | 187,030 | 203,500 | 203,500 | 16,470 |
| TOTAL EXPENDITURES AND REQUEST | \$3,458,329 | \$4,632,124 | \$4,927,078 | \$4,906,657 | \$5,166,529 | \$239,451 |
| AUTHORIZED FULL-TIME | | | | | | |
| EQUIVALENTS: Classified | 0 | 0 | 0 | 0 | 0 | 0 |
| Unclassified | 54 | 57 | 57 | 57 | 54 | (3) |
| TOTAL | 54 | 57 | 57 | 57 | 54 | (3) |

SOURCE OF FUNDING

This program is funded with the State General Fund, Interagency Transfers and Fees and Self-generated Revenues and Statutory Dedications. Interagency Transfers are derived from various state agencies for investigative and legal services as pertaining to gaming industry. Fees and Self-generated Revenues are derived from the Louisiana Lottery Corporation. The Statutory Dedications are provided from the Riverboat Gambling Enforcement Fund. (Per R.S. 39.36B. (8), see table below for a listing of expenditures out of each Statutory Dedicated Fund.)

| | ACTUAL | ACT 12 | EXISTING | CONTINUATION | RECOMMENDED | RECOMMENDED |
|-----------------------------------|------------------|------------------|------------------|---------------------|--------------------|---------------------|
| | 2000-2001 | 2001-2002 | 2001-2002 | 2002-2003 | 2002-2003 | OVER/(UNDER) |
| | | | | | | EXISTING |
| Riverboat Gaming Enforcement Fund | \$2,281,973 | \$4,071,084 | \$4,322,564 | \$4,326,666 | \$4,238,111 | (\$84,453) |

MAJOR FINANCIAL CHANGES

| GENERAL FUND | TOTAL | T.O. | DESCRIPTION |
|------------------|--------------------|-----------|--|
| \$0 | \$4,632,124 | 57 | ACT 12 FISCAL YEAR 2001-2002 |
| | | | BA-7 TRANSACTIONS: |
| \$43,474 | \$294,954 | 0 | Carry forward of operating expenses |
| \$43,474 | \$4,927,078 | 57 | EXISTING OPERATING BUDGET - December 20, 2001 |
| \$0 | \$112,678 | 0 | Unclassified State Employees Merit Increases for FY 2002-2003 |
| \$0 | \$4,573 | 0 | Risk Management Adjustment |
| \$0 | \$203,500 | 0 | Acquisitions & Major Repairs |
| \$0 | (\$185,550) | 0 | Non-Recurring Acquisitions & Major Repairs |
| (\$43,474) | (\$294,954) | 0 | Non-Recurring Carry Forwards |
| \$0 | \$484,848 | 0 | Salary Base Adjustment |
| \$0 | (\$59,875) | 0 | Attrition Adjustment |
| \$315,908 | \$0 | 0 | Salary Funding from Other Line Items |
| \$0 | \$100,127 | 0 | Group Insurance Adjustment |
| \$0 | (\$130,943) | (3) | Gubernatorial Position Reduction |
| \$0 | \$5,047 | 0 | Other Adjustments - Modification of IAT charges due to changes in IAT agreements |
| \$315,908 | \$5,166,529 | 54 | TOTAL RECOMMENDED |
| \$0 | \$0 | 0 | LESS GOVERNOR'S SUPPLEMENTARY RECOMMENDATIONS |
| \$315,908 | \$5,166,529 | 54 | BASE EXECUTIVE BUDGET FISCAL YEAR 2002-2003 |
| | | | SUPPLEMENTARY RECOMMENDATIONS CONTINGENT ON NEW REVENUE: |
| \$0 | \$0 | 0 | None |
| \$0 | \$0 | 0 | TOTAL SUPPLEMENTARY RECOMMENDATIONS CONTINGENT ON NEW REVENUE |
| \$315,908 | \$5,166,529 | 54 | GRAND TOTAL RECOMMENDED |

PROFESSIONAL SERVICES

| | |
|------------------|---|
| \$225,000 | Legal Services dealing with the Bankruptcy of Harrah's Jazz Co. (Taylor, Porter, Brooks & Phillips, Baton Rouge) |
| \$40,000 | Legal Services for the Gaming Control Board (Kantrow, Sphat, Weaver & Blitzer, Baton Rouge) |
| \$75,000 | Legal Services for the Gaming Control Board (Allen & Gooch, Baton Rouge) |
| \$100,000 | Legal Services for the Gaming Control Board (P. Raymond Lamonica, Baton Rouge) |
| \$242,422 | To be determined, for legal and other services deemed required by the department to carry out the mission of the department |
| \$682,422 | TOTAL PROFESSIONAL SERVICES |

OTHER CHARGES

| | |
|-----------|---|
| \$2,164 | Court Reporters, travel for witnesses, etc. |
| \$315,946 | To be determined, additional contract services deemed required to carry out mission of the department |

\$318,110 SUB-TOTAL OTHER CHARGES

Interagency Transfers:

| | |
|----------|---|
| \$75,444 | Office of Risk Management fees |
| \$62,350 | Office of Telecommunication Management fees |

\$137,794 SUB-TOTAL INTERAGENCY TRANSFERS

\$455,904 TOTAL OTHER CHARGES

ACQUISITIONS AND MAJOR REPAIRS

| | |
|------------------|--|
| \$53,500 | Replacement Library reference materials |
| \$63,000 | Replacement of high mileage vehicles |
| \$87,000 | Replacement of various data processing equipment |
| \$203,500 | TOTAL ACQUISITIONS AND MAJOR REPAIRS |